Building a practice with HNW clients

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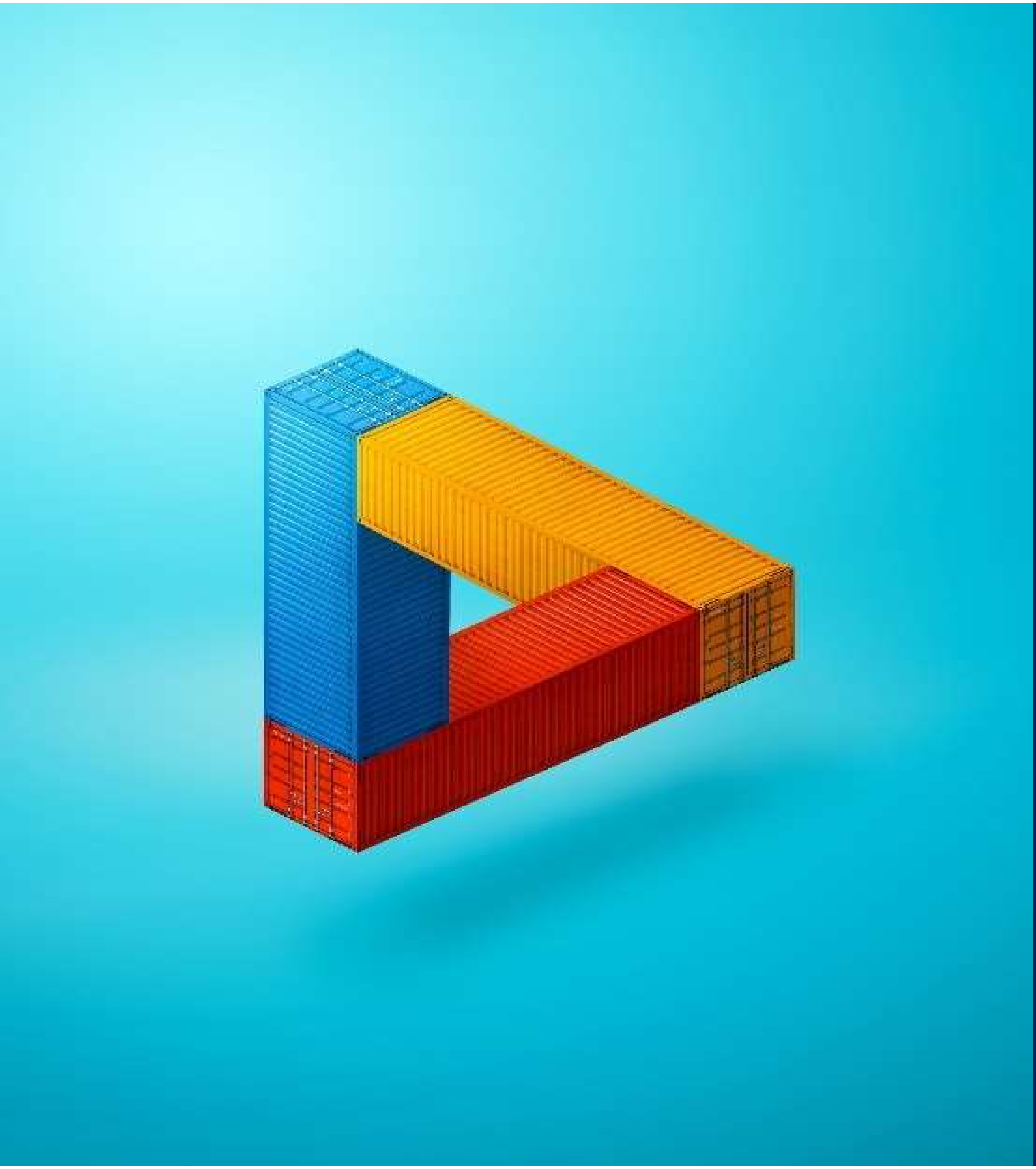
Sam Robson, First Point Wealth Management



JANA
DEPTH WITH DIFFERENCE

IMAP Conference

Building a Practice with HNW Clients

June 2022

MELBOURNE OFFICE
Level 9, 530 Collins St, Melbourne VIC 3000
T (03) 9602 5400

SYDNEY OFFICE
Level 9, 255 George St, Sydney NSW 2000
T (02) 9221 4066

Targeting the HNW market

Opportunity

- Largest pool of financial assets in Australia outside of the Industry Fund sector
- $1.4trn across 284,000 HNW individuals and Family Offices (Family Office and High Net Worth | Rainmaker Information)
- Higher advice revenue opportunity per client vs retail clients
- Much of this client segment is non-advised

Considerations

- HNW / Family Office clients have particular needs:
  - Often multiple structures SMSFs, Family Trusts, Corporate entities, PAFs, etc
  - Require more intensive servicing / consolidated reporting
  - May have similar compliance requirements to retail clients
  - Want access to investment solutions not available to retail clients – less liquid solutions
  - Role for managed accounts but retail SMAs probably insufficient as total solution
  - Advisors more likely to need assistance targeting the HNW market

JANA can assist advisors to target the HNW market

How can JANA assist ?

- Partnering with an advice practice to assist them build their business esp. with HNW clients
- Enhancing an advisor's investment proposition – capital market and manager research
- Membership of / or advice to an advisor's investment committee
- Tailored reporting for a more sophisticated client base e.g. Sustainability / Carbon intensity
- Access to wholesale only product research & strategies – direct infrastructure & property and Private Equity Deal flow
- Wholesale managed account strategies & model portfolios – potentially incorporating existing retail SMA as a core holding

Technology risks and strategy for advice practices

Peter Panigiris, DASH

DASH

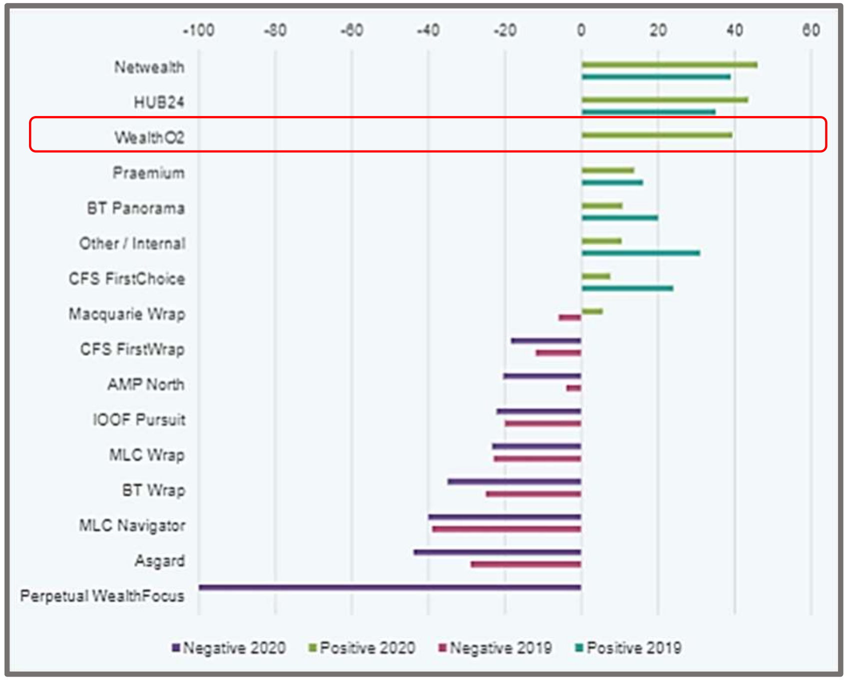
Complete Advice.

Agenda

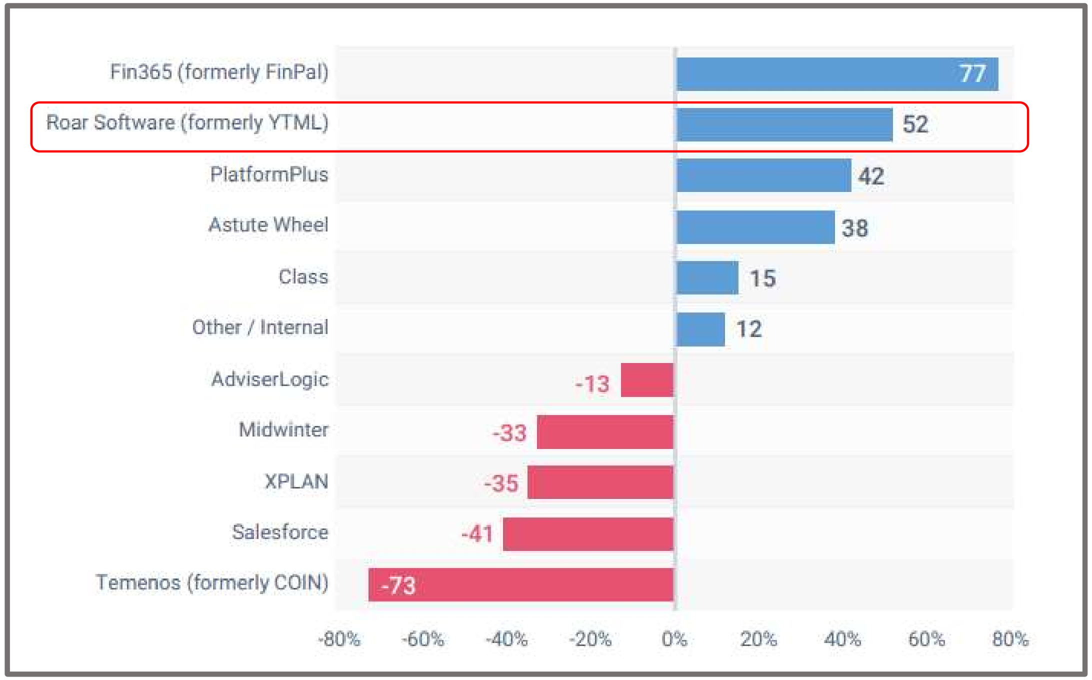
1. Who is Dash
2. Role of advice technology in costs to serve
3. How should technology assist
4. Hidden costs in advice practices
5. The holy grail

About Dash

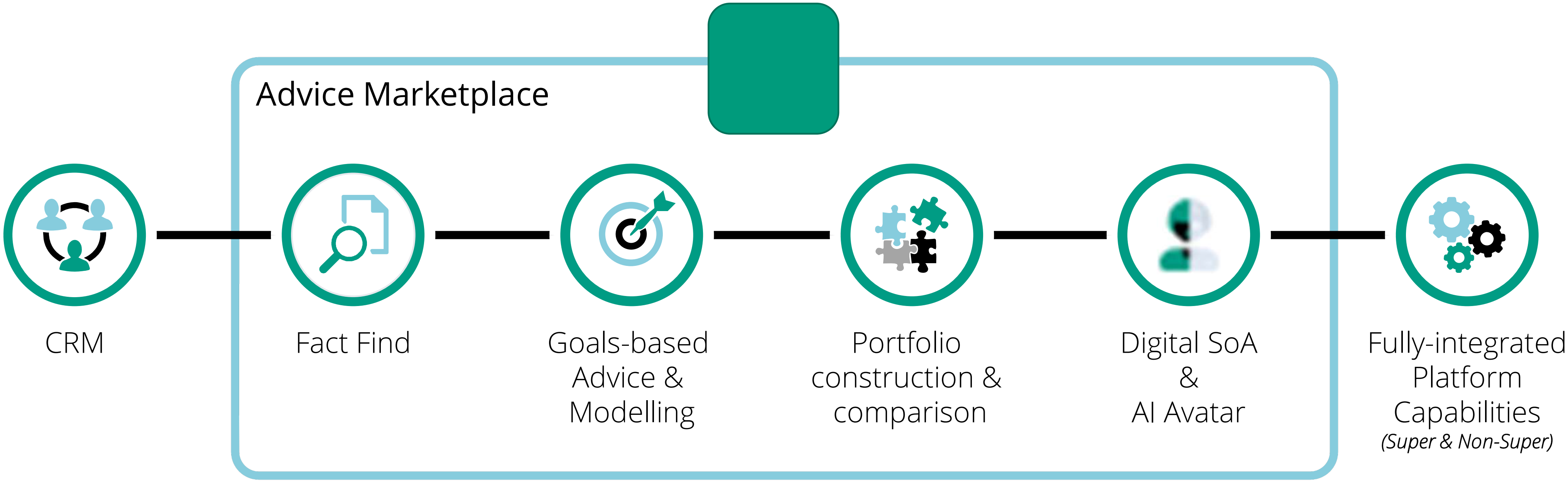
Net Promoter Score
Platforms



Net Promoter Score
Software



Providing end-to-end wealth management solutions



What role does technology play in relationship to cost to serve?

Cost to serve

the average cost of providing comprehensive financial planning advice is

$5,335 a client

vastly exceeding the average cost a client is

charged, $3,660…

...reigniting calls for **red tape** to be stripped from the troubled sector

Source: KPMG

Cost to serve - IRESS

113
Number of Australian advice practices surveyed.

10+
Average years of tenure.

6.8 FTEs*
Average practice size.

$12.9k^
Average technology spend per FTE.

$83.4m
Average funds under management per adviser.

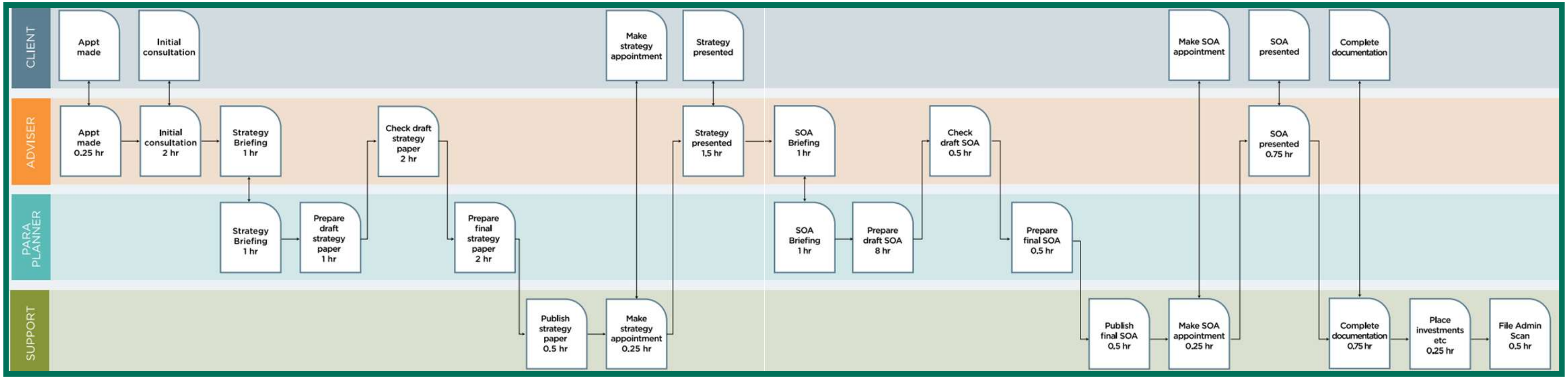
2-3
Average number of technology platforms to produce advice documents.

13%
Percentage of firms using 4+ technology platforms to produce SOA/ROA.

8.1 hours
Average time to produce a simple statement of advice for a new client.

14.6 hours
Average time to produce a complex statement of advice for a new client.

Comprehensive Financial Advice Process



Comprehensive Financial Advice Process

	Initial Meeting	Strategy briefing and paper	Strategy appointment	SOA generation	SOA presentation	Implementation
Adviser	2.25hrs	3hrs	1.5hrs	1.5hrs	0.75hrs	
Paraplanner		4hrs		9.5hrs		
Admin		0.5hrs	0.25hrs	0.75hrs		1.5hrs

Major costs in the advice process

Fact Find

Modelling

SOA generation

SOA Presentation

Advice Implementation

adviser
$274ph

paraplanner
$182ph

support staff
$137ph

Comprehensive Financial Advice Process

	Initial Meeting	Strategy briefing and paper	Strategy appointment	SOA generation	SOA presentation	Implementation
Adviser	$615	$821	$410	$410	$205	
Paraplanner		$729		$1,732		
Admin		$69	$34	$103		$206

$5,335

How should technology assist?

1. Integrated front office

2. Modelling optimiser vs. Trial & Error

3. Templates that actually work

4. Digital statement of advice (including version control)

5. Integrated platform

Comprehensive Financial Advice Process

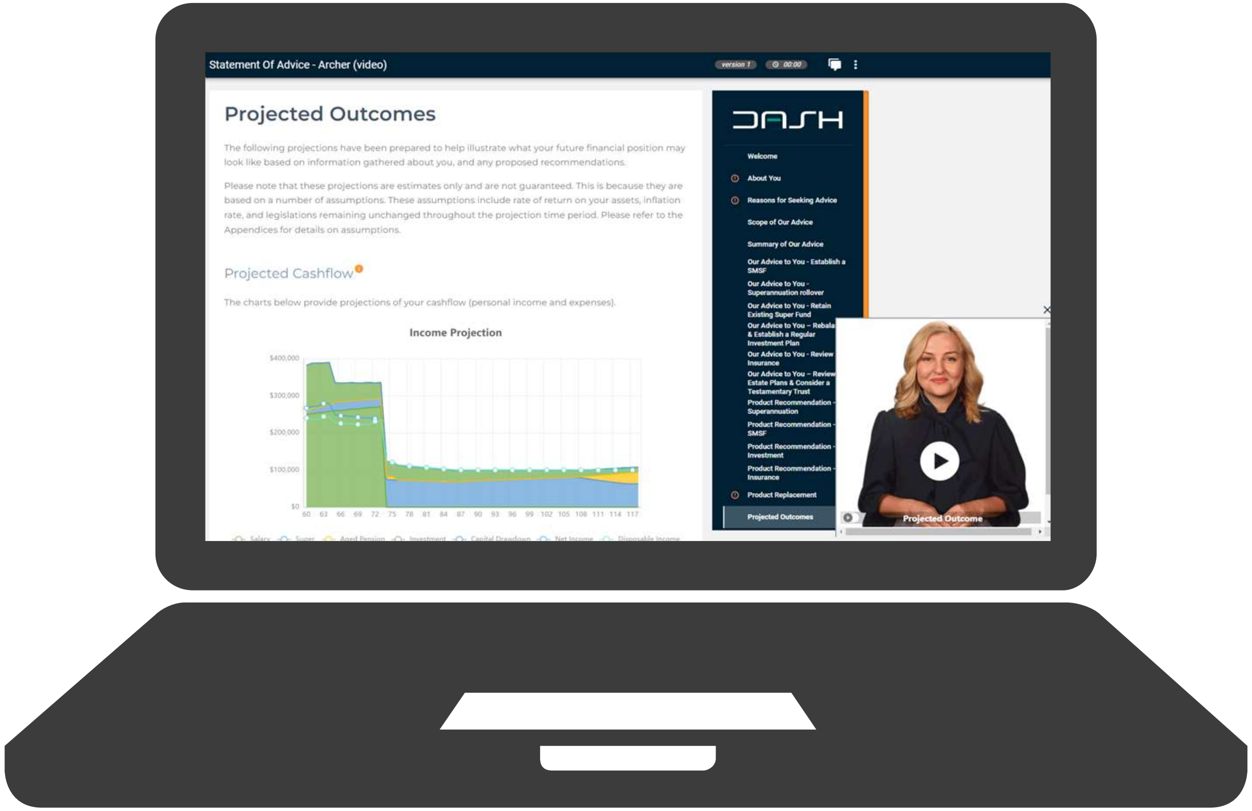
	Initial Meeting	Strategy briefing and paper	Strategy appointment	SOA generation	SOA presentation	Implementation
Adviser	~~$615~~ $342	~~$821~~ $479	~~$410~~ $274	~~$410~~ $274	~~$205~~ $205	
Paraplanner		~~$729~~ $274		~~$1,732~~ $866		
Admin		~~$69~~ $34	~~$34~~ $34	~~$103~~ $69		~~$206~~ $69

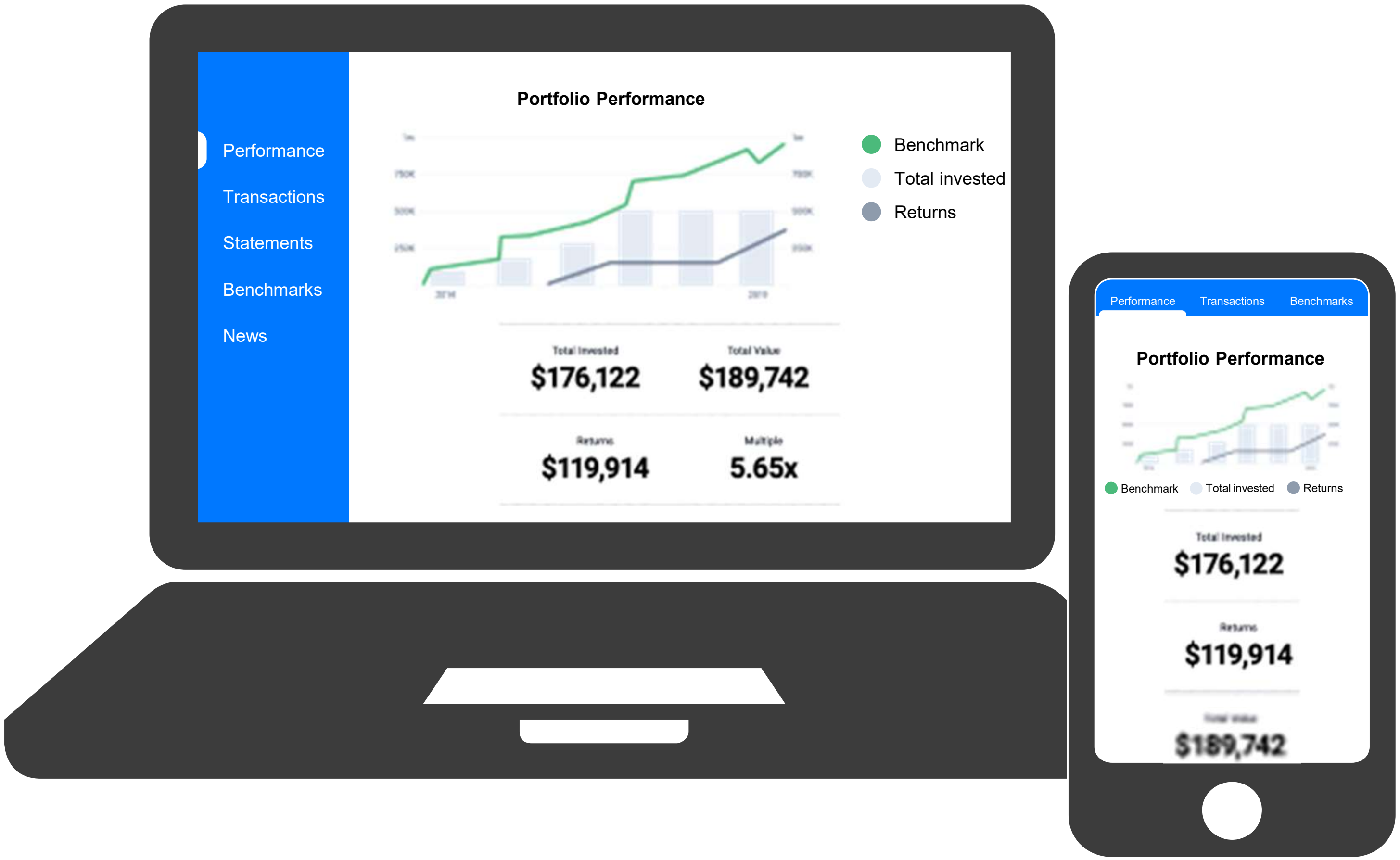
~~$5,335~~ $2,918

$3,660 → $2,918

Hidden Costs in advice practices

Scalable Advice Delivery




Performance
Transactions
Statements
Benchmarks
News
Portfolio Performance
Benchmark
Total invested
Returns
Total Invested
$176,122
Total Value
$189,742
Returns
$119,914
Multiple
5.65x
Performance
Transactions
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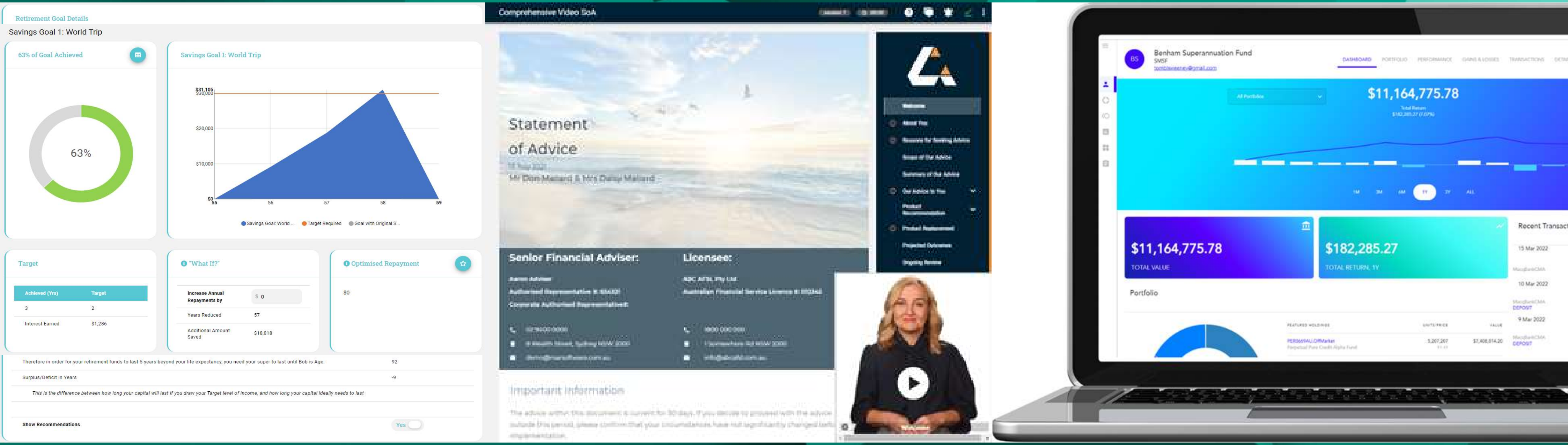
Portfolio Performance
Benchmark
Total invested
Returns
Total Invested
$176,122
Returns
$119,914
$189,742

Client Portal to track whole of client wealth against goals

The holy grail?

Holy Grail Use Case One - outsourcers



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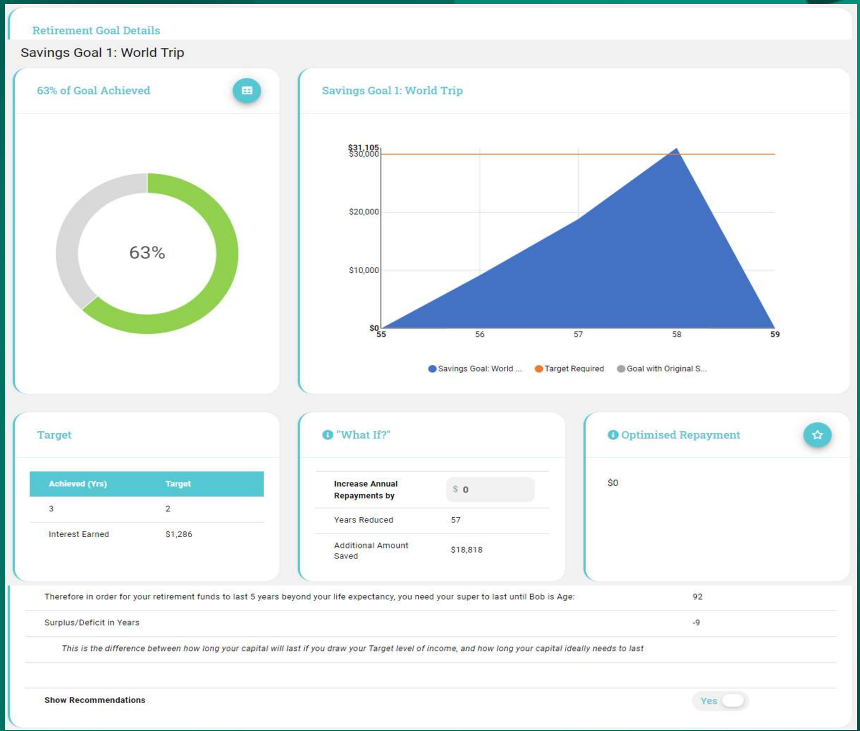
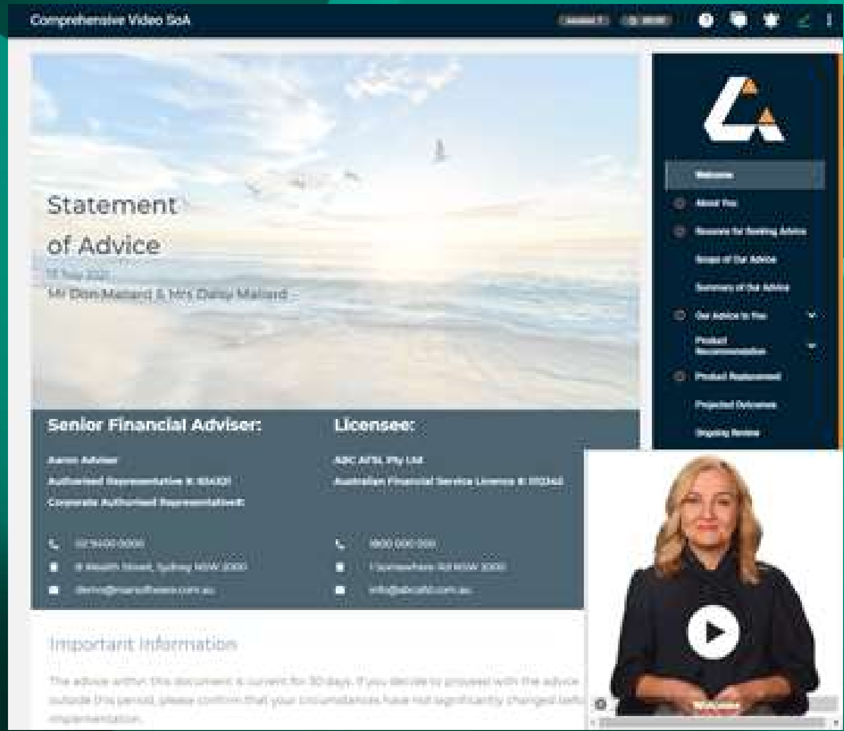
Holy Grail Use Case Two – salt and pepper





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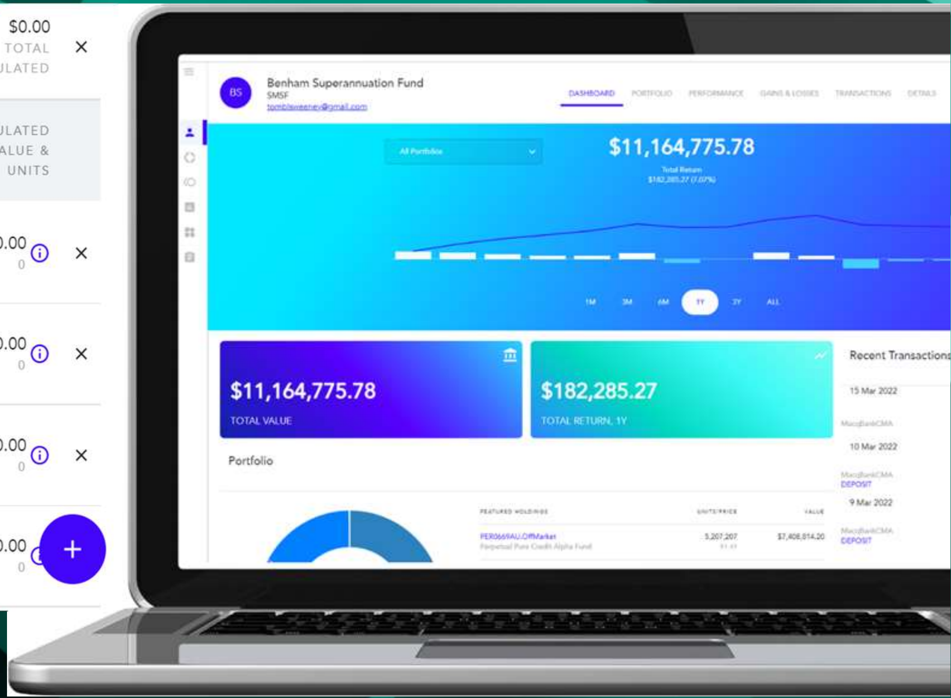
Holy Grail Use Case Two – salt and pepper

Australian Shares

6 ∨ 3 ∧

NAME	UNITS & PRICE	BUY/SELL	METHOD	AMOUNT	CURRENT	TARGET	PROPOSED	CALCULATED VALUE & UNITS
					32.52% $970,578.49	32.26% $962,760.61	32.52% $970,578.49	$0.00 TOTAL CALCULATED
ALX.ASX Atlas Arteria Limited	14,764 @ $8.15	Buy Sell All	$ % #	0	4.03% $120,326.60	3.96% $118,257.71	4.03% $120,326.60	$0.00 0
BHP.ASX BHP Group Limited	2,668 @ $46.22	Buy Sell All	$ % #	0	4.13% $123,314.96	4.07% $121,400.54	4.13% $123,314.96	$0.00 0
BPT.ASX Beach Energy Limited	70,271 @ $1.86	Buy Sell All	$ % #	0	4.39% $131,055.42	4.41% $131,643.83	4.39% $131,055.42	$0.00 0
IPL.ASX Incitec Pivot	29,066 @ $3.40	Buy Sell All	$ % #	0	3.31% $98,824.40	3.24% $96,816.20	3.31% $98,824.40	$0.00 0



DASH

We have used a number of providers in the past, but **DASH** is a standout, providing a complete advice solution, **which we view as the “holy grail” for our practice…**

Their seamless end-to-end software and platform offering covers everything we need in one place, from MDA management, where run our own models, client data collection, digital SOA's and our CRM.

It's a win for planners.

DASH

Complete Advice.

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FINDEX

JANA DEPTH WITH DIFFERENCE

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MLC ASSET MANAGEMENT

Morgan Stanley

præmium

Zenith INVESTMENT PARTNERS